OFFICE OF THE ASSISTANT CONTROLLER, LOCAL AUDIT CIRCLE MANGALORE.

Notification dated 15th September 1967.

No. MAG MPT/792/67-68. Memorandum of important Irregularities :

Sl. No.	Nature of irregularities	Reference to para in Audit Report
1	Short collection of Ground rent	4
2	Construction of wooden Jetty, want of Checkmeasurement, completion report and payment in excess of the estimate.	6
3	Repairs to Roads and forming new roads works executed without preparing detailed estimates and technical sanction.	7
4	Survey, Levelling and boring operation remarks as in item 3 above ...	8
5	Want of checkmeasurement	9
6	Excess payment to the Contractor	10
7	T.A. bill of Assistant Engineer, Excess payment and other defects ...	11
8	Irregular payment of advance and its non adjustment	12
9	Irregular payment of taxi hire charges	13

Memorandum of Recoveries and Disallowance.

Sl. No.	Reference to para in Audit Report.	Amount held under objection	
		For recovery Rs. p.	For technical reasons Rs. p.
1	4	47—55	—
2	6	250—00	5,446 00
3	7	—	576—25
4	8	—	3,159—84
5	9	—	969—02
6	10	167—04	—
7	11 (a) and (b)	88—80	—
8	12	—	1,500—00
9	13	—	211 25
10	Appendix item III	—	10—00
11	do IV	—	25—50
12	do VI	—	25—00
13	do VII	9—72	—
14	do IX	—	35 23
15	do XII	—	21—21
16	do XIII	—	21—33
		563—11	12,000—63

(Sd) .....
Asst. Controller, Local Audit Circle.

Audit report on the Accounts of the Mangalore Port Trust Fund : Mangalore Port Fund and the Mangalore Pilotage Fund : South Kanara District : For the year 1961-62.

Audit Staff	1	Sri M. Abu Backer, B.A., Audit Superintendent.
	2	Sri A. Abul Rahiman, B.A.
	3	Sri Krishna Gopala Rao, B.com.
Date of commencement	10-6-1965	Sixty working days for two auditors.
Date of completion	7-1-1966	
Reviewed by	Sri V. S. Ramaiah, B.A., B.L., Assistant Controller, Local Audit Circle, Mangalore.	
Date of review	7th August 1967.	
Incumbents of the office of the Chairman, Mangalore Port Trust and the period of their incumbency ...	Sri C. J. Padmanabha, B. Sc., (Hons.) Deputy Commissioner from 1st April 1961 to 31st March 1962.	
Incumbents of the Office of the Secretary, Port Trust and the period of their incumbency.	Captain S. R. Bajekar Port Officer from 1st April 1961 to 31st March 1962.	

Part I Previous Audit.

Previous audit for the year 1960–61 was conducted by this department and the Audit report was issued on 18th September 1962. Replies to the Audit report reporting the com liance of the several objections raised in the Audit report have not been furnished till the close o audit. The administration is requested to pay due attention to remedy the defects and clear the objections raised in audit very early.

Current Audit.

2 Para II—Financial Positions :

	Port Trust Fund	Port Fund	Pilotage Fund
Opening balance Receipts ...	7,71.467—38	3,30,245—25	1,214—92
Receipts ...	7,07 168—41	1,92 634—89	4 896—00
Total ...	14 78,635—79	5,22 880—14	6,110—92
Expenditure ...	5,71,968—40	2,61,495—82	4,847—08
Closing balance ...	9,06,667—39	2,61,384—32	1,263—84

Reconciliation of closing balance :

Mangalore Port Trust Fund :

Though a reconciliation statement has been prepared between, the departmental closing balance of Rs.9,06, 667 39 and the Treasury closing balance of Rs 11, 38, 460, 98, the reconciliation has not been recorded at the end of the cash book over the signature of the Secretary. The omission would need to be rectified and Steps taken to have the differences detailed in the reconciliation statement, Set right by addressing the Treasury Officer in the matter.

Mangalore Port Fund :

Reconciliation statement between the departmental closing balance of Rs. 2, 61, 384.32 and the Treasury closing balance of Rs 2, 38, 491.32 has been furnished. The difference would need to be set right by taking up the matter with the Treasury Officer.

Mangalore Pilotage Fund :

The Treasury Closing balance of Rs 1,351.34 as against the cash book closing balance of Rs.1, 263.84. Early steps would need to be taken to have the differences set right.

3 Important irregularities noticed in audit are detailed below. Irregularities of a minor nature are detailed in the appendix to this report.

Check of Receipts :

4. Ground rent - loss due to short collection :

In the cases detailed below the ground rent collected falls short of the amount actually due with reference to the extent of area occupied as per the applications. The total loss amounting to Rs. 47.55 would need to be recovered from the parties concerned or made good by the persons responsible for short collection.

Application No.	Name of the Applicant	Area Occupied	Amount due	Amount collected	Amount of short collection
193	PUG Kamath	390	43.40	18.00	25.40
61	Dada Haju Suit	400	1.60	0.80	0.80
242	BKS Shanbogue	240 208	8.70	8.55	0.15
245	S.D Nayak	570	55 80	52.50	3.30
310	Jairam Traders	35 30 14	13.05	7.25	5.80
330	Canara Shopping Corporation	360	5.80	1.45	4.35
442	F.X.D. Pinto	48 25	110.80	103.05	7.75
					47.55

5. Marine Register -non-levy of fees :

It was seen from the register that no fees have been collected in respect of the following cases from 1st July 1956 onwards till date. The reason for the non collection of fees may be clarified and early action taken to collect the fees due in all cases.

Assessment No.	Name of the party	Period
192 1 cent	Sri Narasu	1-7-1956 on wards
187 6 cents	Sri Subba	do
189 1 cent	Bogga s/o Baira	do

6. Works - Irregularities :

Construction of wooden jetty in south wharf Estimate Rs. 5,000 Contractor Amin 9 per cent above for Rs. 5,446 P. T. F. Vr.113/6-61 Final bill for Rs. 5,696.

(i) Measurements recorded in the Measurement Books have not been check measured and certificate to that effect recorded in the Measurement Book. *Vide* measurements in P.84 of M.B K. 1/59-60 and P.58x59 of Measurement book 5 of 60-61. Payment made without proper checkmeasurement is irregular. The omission would need to be explained and the work got to be checkmeasured and certificate to that effect recorded in the Measurement Book. Pending furnishing of checkmeasurement certificate the entire expenditure on the work *viz.*, Rs. 5,696 is held under objection.

(ii) Final bill is not accompanied by a completion report or approved deviation statement explaining the deviations from the sanctioned estimate. This would need to be supplied and the omission in this regard explained.

(iii) Payment made on the work amounted to Rs. 5,696 as against the sanctioned amount of Rs. 5,446. The excess of Rs. 250 paid over and above the sanctioned estimate would need to be recovered and credited to the Port Trust Fund or made good by the persons responsible.

7. Work executed without proper sanctioned estimate :

Replies to Roads and Forming new roads :

Against the provision of Rs. 40,000 under this head in the sanctioned budget estimate, works have been executed departmentally by engaging labour and payment being made on muster rolls. Separate estimates were not prepared and technical sanction obtained for taking up the works. Nor the work turned out has been measured and measurement recorded in the Measurement book. The entry in the Measurement Book shows only the number of mazdoors engaged and the number of days they were engaged and the amount paid. The quantitative measurements have not been recorded and checkmeasured in any case. *Vide* the following instances of payment.

(i) Vr. 111/6-61 Rs. 506.25 (NMR) - P.55 of M. Book 5/60 61
(ii) Vr. 112/6-61 Rs. 270.00 ,, P.56 of M. Book 5/60-61

In the absence of technically sanctioned estimates and proper measurements and checkmeasurements, the expenditure incurred cannot be admitted in audit and is therefore held under objection. The reason for the non observance of the prescribed procedure of preparing the estimates obtaining technical sanction, recording measurement and check measurement etc., would need to be explained and the irregularities got condoned by the Government to regularise the expenditure.

8 Work executed without proper sanctioned estimate:—

Trail boring at Mangalore Port. Survey and levelling and boring operations.		Rs P.
MPF Vr. 64:—Boat hire for 13 days for two boats at Rs. 15 per day per boat.	...	390—00
MPF Vr. 65:—Labour charges paid as NMR for 24 Workers per 9 days	...	486—00
MPF Vr. 66:—Conveyance charges of RC. Polls from Wharf to Ullal	...	40—00
MPF Vr. 92:—Paid to Polychem Ltd., for Polysterine Rendu	...	743—84
8—61		
MPF Vr. 100:—Advances paid to Contractor, K. Razaak for supply of labour aud materials for for flourscent survey and levelling	...	1500—00
8—61		
	Total	3159—00

An estimate was not prepared and got sanctioned for the work. Payment was authorised by the Chairman in anticipation of sanction of the Board pending preparation of detailed estimate. The work has not been measured and checkmeasured nor were any records showing the result of the test and survey and boring operations made available for audit.

NMR. In the NMR it has been certified in the place that the work is not succeptible of measurement and t the same time it has been noted that the measurement has been recorded in P. 50 of Measurement Book II 58–59. The discrepancy needs to be explained.

In the absence of proper sanctioned estimate and the record of measurement and checkmeasurement, it is not verifiable in audit as to (*i*) whether the work has been turned out at all (*ii*) whether the rate paid for is reasonable and (*iii*) whether the work turned out is worth the amount paid for. The entire expenditure is therefore held under objection for recovery or the irregularities in the execution of the works *viz.*, non preparation of detailed estimate, want of technical sanction and want of measurement and check measurement and want of administrative sanction of the Port Trust are got ratified by Government.

9 Check measurement wanting:—

Enclosing Veranda of upstairs and converting it in to a hall.
Est. Rs 3600 Contractor Krishna Maistry.
Vr. 117/6–61 (MPT Fund) I & Part bill Rs 921—00.

		Rs. P.
Item 2 Clean removal of plaster from walls etc.	135 cft.	2—36
Item 1 Dressed hat Stone masonry in at M 1:5	63 cft	88—20
Item 5 Providing and fixing in position Teak wood glazed enclosure including cost of furniture	242 cft.	878—46
	Total	969—02

The above items have been passed for payment without eheckmeasurement *vide* P. 36, 37 and 38 of Measure ment Book 6, 60–61.

10 Payment without provision in the estimate:

Enclosing Veranda of upstairs and converting it into a hall Est. Rs. 3,600 Contractor Krishna Maistry.

II and Final Bill Rs. 1,008—54

Item 4 of the bill:

Painting wood work 2 coats			1592Sft.
at Rs. 12	100 Sft	Rs.	191–04

The sanctioned estimate provides for 200 Sft. only Payment for the excess over the provision in the estimate *i e.* for 1,392 sft *alias* 12% 100/sft. or Rs. 167.04 needs to be recovered from the Contractor and credited to the Port Trust Fund as the deviation from the estimate is not authorised or approved by the competent authority.

11 Travelling Allowance Excess payment:

(a) Vr. 342/2–62–T. A. bill of Sri Muddappa, A. E. for the journey to Poona and back in August 1961. Rs. 332–06.

(i) Certificate that the journey was actually performed in the first class by rail was not furnished in support of his claims for I class railfare at Rs. 102.03 each day. Either the certificate should be furnished or the claim limited to the railway for by III class and the Excess recovered from the Official and credited to the Port Fund.

(ii) Full D. A. *alias* Rs. 6 has been paid for the day of arrival 21st August 1961 and for day of departure 26th August 1961 as against half D. A. admissible under the rules. The excess of Rs. 6 on this account needs to be recovered and credited to the Port Fund.

(b) Vr. 343 3-62 T A bill of Sri Muddappa, A. E. for the month of January 62 for his journey to Delhi and back. Rs. 785.80. Pay Rs 400 (i) As he is not entitled to perform the journey by air sanction of the Port Trust is necessary for perforiming the journey by air as a special case such sanction was not produced for verification in audit.

(ii) Incidental charge admissible is 1 5 of the airforce limited to Rs 30. The total incidental charge admissible for both forward and return journey is Rs. 60 only against which Rs. 132.80 being 2/5 of the air fare both ways has been paid resulting in exess payment of Rs. 72.80 which would need to be recovered and credited to Port Fund.

(iii) Full D. A. at Rs. 10 has been paid for the day of arrival and the day of departure instead of D.A. at half the rate admissible as per the rules. The excess of Rs. 10 paid also needs recovery.

12 *Irregular payment of advance and its non adjustment.*

Vr. 100/8–61 (MPF) Rs. 1,500. An amount of Rs. 1,500 only was advanced to the Contractor, Sri K. Razaak towards cost of labour and materials to be supplied in connection with the flourescent test and survey and levelling etc. Details of expenditure and sub-vouchers against this advance were not made available to audit. The advance paid should be recovered and credited to the Port Fund or the details of expenditure and connected sub-vouchers with the relevant estimate Measurement Book etc. produced for verification in audit.

13 *Irregular payment of Taxi hire charges.*

Vr. 168/11-61 (MPF) Taxi hire paid to M/s. Narasappa and sons for taxies hired during September and October 1961 as per bill dated 19th October 1961 Rs. 211.25. There is no provision in the rules to incur such expenditure out of the Port Fund either for the conveyance of Officers and employees of the Port Trust or for the conveyance of visitors. It is irregular to have incurred such unauthorised expenditure without obtaining specific santion of the Government. The amount of Rs. 211.25 would need to be made good by the persons responsible for the irregular payment. The details such as the purpose for which the taxies were hired or the persons for whose transport they were hired etc. were also not furnished in the bill.

Result of audit.

Maintenance of accounts and registers may be considerd fairly satisfactory except for the procedural and technical irregularities in Engieering Section.

Receipts and Charges.

The gross receipts and charges for the year were as follows:

	Receipts	Charges
Mangalore Port Trust Fund	7,07,168-41	5,71,968-40
Manglore Port Fund	1,92,634-89	2,61,495-82
Pilotage Fund	4,896-00	4,847-08
	9,04,699-30	8,38,311-30

Objections pending settlement.

Twenty-four objections relating to the year 61-62 involving Rs. 12,563-74 as detailed above and in the appendix were pending settlement at the close of the audit.

....,

Assistant Controller Local Audit Circle.

APPENDIX—1

Statement showing irregularities of a minor nature.

I Applications not produced :

(*a*) *Overtime fees* :

Applications bearing serial No. 611 and 615 were not made available for verification in audit.

(*b*) *Cranage fees* :

(i) Receipt No. 21292/17-5-61. Rs. 157. 55 by W.J.M. & Co., The connected application was not produced to verify the correctness of the amount collected.

(ii) Receipt No. 12163/19-3-62 for Rs. 23 by Mysore Timber Co. The connected application was not produced.

(*c*) *Fees for Fresh Water Supply* :

Applications in respect of receipt Nos. 20888/25-4-61 and 21142/3-5-61 were not made available for audit. The same would need to be produced.

II File not produced :

(a) Sub Vr. 27/21-4-61-Paid from Permanent advance Rs. 5 towards conveyance of sofa set from St. Joseph's Industrial Workshop to Port Office. The connected quotaion file was not made available for verification in audit whether the coveyance charges are due as per the terms of the quotation.

(b) Sub Vr. 29/22-4-61-Paid from Permanent advance Rs. 5 towards conveyance of 7 Teapoys from St. Joseph's Industrial Workshop. The quotation file was not produced for audit to verify the admissibility of the conveyance charges paid.

III Sanction wanting :

Sub. Vr. 38/2-5-61-Paid from Permanent advance Rs. 10 towards taxi hire for the conveyance of Sri Hirandani to Ullal and Someshwar Rock and bank on 30th March 61.

(i) Approval of the Chairman wanting.
(ii) How this is a charge on the Port Trust Fund may be stated

IV Details not furnished :

Sub Vr. 3/4-61-Cost of reception to M.G. Hirandani Rs. 25-50 debited to reception contingencies-The expenditure is *prima facie* excessive for the reception of one distinguished visitor. It may be stated as to the number of persons involved in the reception and the number of persons to whom tiffin was served.

V Authority wanting:

MPF. Sub Vr. 52/13-5-61-Stitching charges for 66 clothing paket for sample tests, paid to B. Kogga. The sub-Vr. does not bear any pay order or initial of the Port Officer. The omission may be supplied.

VI Board's sanction not shown:

MPF Sub. Vr. 278/23-1-62-Repairing charges of the Office Cycle. Rs. 25 sanction of the Port Trust was not pointed out to admit the expenditure in audit,

VII Short collection of tonnage etc.

(a) Receipt No. 2110/29-12-61 the amount colleceted on tonnage due from the vessel Fathul Bari of 65.36 tonnage at Rs. 0.20 per ton was 12.00 as against Rs. 13.00. Hence the difference 1.00 may be recovered from the person concerned and credited to the funds.

(b) Receipt No. 2425/5-2-62 the amount collected as tonnage from the vessel Amba Prasad of 69-56 tonnage at 0.15 np. per ton was 10.15 against 10.50. The short collection of Rs. 0.35 may be made good.

(c) Miscellaneous receipt No. 43933/27-11-61-Applications No.87.

In the following ease an amount of Rs. 26.22 was paid as against Rs. 21.85 to the following staff towards overtime charge for having attended to clearance work from 1 a.m. to 6 a.m. on 27th November 1961. As they have attended for 5 hours the excess amount of Rs. 4.37 may be recovered from the person conecrned.

Name	*Amount admissible*	*Amount paid*	*Excess*
M. A. Nayak	10—00	12—00	2—00
W. G. Pinto	10—00	12—00	2—00
Umer	1—85	2—22	0—37
		Total	4—37

(*d*) *Non Marine occupation*:

Short collection of Taxes:—From each of assessers noted below Rs. 2 against Rs. 3 has been collected as a tax for non marine occupation from 1-7-56 to 30-6-62. The short collection of Rs. 3 may be made good.

Asst. No.	Receipt No.	Amount Collected	Actual due	Short collection
...	...	...	...	...
8 from 1-7-45 to 30-6-62	32540 16-1-1962	2—00	3—00	1—00
10 do	30544 3-11-1961	2—00	3—00	1—00
13 do	22577 11-9-61	2—00	3—00	1—00

(*e*) *Short Collections found* :

Assessment No. 128 the land revenue (for 4 cents) due from Sri Ithappa Suvarna for the period from 1st July 56 to 30th June 62 was at Rs, 6-00 + 2-00 (licence fee) per annum. But an amount of Rs. 5+2 has been collected. Hence the short collections of 1-00 may be made good from the person concerned.

Assessment No. 185 — The tax amount of Rupee one for the occupations of the land from 1st July 61 to 30th June 62 by the assesser has not yet been collected. This may be collected.

VIII Imprest amount paid-debited to Expenses :

The following imprest amounts paid out of the Mangalore Port Fund have been directly debited as expenditure instead of debiting the same under advances. Action would need to be taken to account for these amounts and refund the same to Mangalore Port Fund.

Sub. Vr. 169	Imprest to A. E. No. 5 Sub Division
10—10—61	Rs. 25
Sub. Vr. 156	do Rs. 25
22—9—61	

IX Payment of leave salary-sanction wanting:

(a) Vr. 10/61-62 Supplemental Bill-Leave salary for 24th and 25th February 61 paid to Sri B. Gopala Rs. 4—78

Leave salary for 27th February 61 paid to Sri L. D. Souza Rs. 2—36

7—14

There was no entry in the Service Register or leave account for the leave sanctioned nor was the leave sanction order produced. This would need to be clarified or the amounts paid recovered and credited to Port Trust Fund.

(b) Vr. 15/61-62 Supplemental bill-Leave salary for 9th January 1961 and 10th January 1961 paid to Felix D'Souza-Rs. 4-26 *Vide* remarks in Sub para (a) above.

(c) Vr. 16/61-62 Supplemental bill-Leave salary for 27th February 61 and 28th February 61 paid to Sri. Guruvappa, Seaman Rs. 4-72.

(i) Vide remarks in Sub-para (a) above.
(ii) Payees' acknowledgement was also not produced.

(d) Vr. 17/61-62 Supplemental bill-leave salary for 3, 5 and 6th March 61 paid to B. Subba Salian, Seaman Rs. 5-81.

Vide remarks in Sub-para (a) above.

(e) Vr. 40/61-62 Supplemental bill for arrears of pay of Sri Guruvappa, Seaman for the period from 25th April 61 to 30th April 61 Rs. 13-20. In the original bill it was noted that he was absent from duty. The Supplemental bill was drawn and paid without noting the reason whether the absence has been treated as leave with pay etc. There is also no entry in the service register or leave account for the above period having been treated as on leave with pay. Hence the payment of Rs. 13-20 is held under objection for receovery.

X Payment of gratuity-Not entered in Service Register:

In the following cases, payment of gratuity has not been noted in the Service Register of the concernad official. This may be done and the Service Registers produced for verification in audit.

Gratuity to	Sri N. Mangesha Naik	2,875
do	Sri Mothu D'Souza	703

XI Arrears of Overtime fees:

Vr. 66/21-6-61—Overtime fees for January and February 1961 paid to M. B. Bangera, Seaman—Rs. 30.

(i) Circumstance under which this was not drawn and paid in the original bills of the month is not clear.

(ii) Certificate that the amount has been drawn previously has not been furnished and (iii) Corresponding receipt in Overtime register was not pointed out.

XII Irregular payment of Leave salary:

Vr. 85/1-8-61—Pay bill for July 1961—Floating Craft Establishment—Sri N. Chellappan, Driver Gr. III. Leave Salary on full pay from 3rd July 1961 to 31st July 1961 (29 days) at Rs. 58+1+35 D.A. As per the entry in the Service Register as well as Leave account was sanctioned for the period from 3rd July 1961 to 24th July 1961 only. Leave salary paid for the period from 25th July 1961 to 31st July 1961 (7 days) needs recovery or leave sanction order, entry in the leave account pointed out Rs. 21.21.

XIII Papers wanting:

Vr. 79/20. 7. 61—Supplemental bill—arrears paid to Sri Benjamine D'Souja promoted as Driver Gr. III—Differential pay from 11th April 1961 to 30th June 1961 Rs. 21.33. The circumstance under which the higher pay was not drawn in the original bills for May and June 1961 would need to be clarified.

.....,
Assistant Controller.

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OFFICE OF THE ASSISTANT CONTROLLER, LOCAL AUDIT CIRCLE, MANGALORE.

Memo of Important Irregularities noticed in the Audit Report.

Sl. No.	Para No.	Nature of irregularities
1	5	Defective classification.
2	6	Tenders not called for.
3	8	Supply of coal by Bengal Coal Compay, Short receipt.
4	9	Construction of weighing shed in the North Wharf—Dismantled materials not accounted.
5	11	Providing a new wooden jetty for the Passengers Wharf at Mangalore Agreement and connected file not produced.
6	12	Irregular entrustment of work without calling for tenders.
7	13	Work bills Defects.
8	14	Payment made on the N.M.R. for the regular establishment.
9	16	Prior sanction of Government not obtained.
10	19	Payment made on Nominal Muster Rolls.
11	20	Disposal of materials not noted.
12	21	Quotations not accepted by the competent authority.
13	22	Agreements not obtained in stamped papers.
14	23	Acceptance of quotation other than the lowest.
15	24	Bill and receipts wanting
16	25	Placing of oral orders by the Assistant Engineer for supply of certain articales.
17	26	Registers etc not produced.
18	27	Contribution due to Government.

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Asst. Controller, Local Audit Circle.

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AUDIT REPORT ON THE ACCOUNTS OF THE MANGALORE PORT TRUST FUND MANGALORE PORT AND THE MANGALORE PILOTAGE FUND : SOUTH KANARA DISTRICT : FOR THE YEAR 1962-63.

Audit Staff	...	1. Sri M. Abu Backer, B. A., Audit Superintendent. 2. B. Dinesh Kumar Shetty, B. Com. 3. Gokuldas Lal, B.Sc.
Date of commencement	...	6th June 1966.
Date of completion	...	30th March 1967.
Incumbants of the Office of the Chairman, Mangalore Port Trust and the period of their incumbancy		Sri C. J. Padmanabha, B.Sc. (Hons.) from 1st April 1962 to 31st March 1963.
Incoumbants of the Office of the Secretary, Part Trust and the period of their incumbancy		1. Capt. S. R. Bajekar from 1st April 1962 to 13th August 1962. 2. Sri C. K. Mandappa from 13th August 1962 to 31st March 1963.
Reviewed by	...	Sri V. S Ramaiah, B. A., B. L., Assistant Controller, Local Audit Circle, Mangalore.
Date of review	...	27th September 1967.

Part I Previous Audit

1. Replies to the Audit Report for the year 1960-61 and 1961-62 have not been received to verify the compliance regarding the several objections pointed out in the audit reports. Further observations on the pending objections of the previous years will be issued separtely on receipt of the replies to the audit reports.

Current Audit

2. *Part II Financial Position* :

	Port Trust Fund	Fort Fund	Pilrtage Fund
Opening balance	9,06,667.39	2,61,384.39	1,263.84
Receipts	8,33.053.82	1,24,654.47	4,931.25
Total	17,39,721.21	3,86,038.79	6,195.09
Expenditure	6,46,466.93	35,567.72	4,027.91
Closing Balance	11,93,254.28	3,50,471.07	2,167.18

Reconciliation of closing balance:

Though a reconciliation statement has been prepared between the departmental closing balance of Rs 11,93,254.28 and the treasury closing balance of Rs. 14,41.934.00, the reconciliation has not been recorded at the end of the cash book over the signature of the Secretary in spite of the observation made in the previous audit. The Omission would need to be supplied and steps taken to have the difference detailed in the reconsciliation Statement, set right by containing the District Treasury Officer in the matter.

Mangalore Port Fund:

Similarly action would need to be taken for the reconciliation of the Departmental closing balance of Rs. 3,50,471.07 and the treasury closing balance of Rs. 3,78,885 95 as shown in the reconciliation statement.

Mangalore Pilotage Fund:

The treasury closing balance is Rs. 1,978.18 as against the departmental closing balance of Rs. 2,167,18. Steps would need to be taken to adjust the differences detailed in the reconciliation stetement

3. Statements showing the receipts and charges are appended to this report.

Part II

4. Important irregularities noticed in audit are detailed below.

5. *Defective classification*:

(i) Voucher No. 52 of 62-63 1st December 1962.

Sri Martin Mascaronhas, Peon of Mangalore Port Trust Fund, was promoted as Daffedar and posted to Mangalore Port Fund (W.E.F. 3rd October 1962 Afternoon) vide order No. A9/1021/62 dated 29th October 1962. His pay at the rate of Rs. 61 per month for October 19 2 is drawn from Mangalore Port Trust Fund. As he has been promotrd and posted to Mangalore Port Fund the salary shouid have been debited to Mangalore Part Fund from 4th October 1962. The amount paid from the Mangalore Port Trust Fund is irregular and the amount may be recouped to this fund by debiting Mangalore Port Fund.

(ii) It is observed from the Receipt revenue stamp register of Mangalore Port Trust Fund that twenty stamps (reuenue stamp of 10 paise each) on 3rd January 1963 and thirty stamps on 8th January 1963 were received as loan from part fund but not returned to M. P. F. Action may be taken to return the stamp to Mangalore Port Fund.

6. *Tender not called for*:

Vr. o. 395

62-63 of October 1962 Rs. 142.48 was paid towards Dredger in pully blocks for S. D Gurpur. It is certified by Assistant Engineer that the work was entrusted to the firm St. Joseph's Asylum Industrial Workshop, without calling for quotation under emergency and that the rates are reasonable. Ratification of the Board for the action taken by the Assistant Engineer may be obtained aud communicated.

7. *Stores Account*:

It is observed that the quantity of Coal received from the Coal companies under several Bills were shortly accounted.

	Name of Company	Bill No.	Net as per Bill	Entered in stock account register	Shortage
1	Equitable coal company Ltd., Calcutta-1 Vr. No. 386/October 62.	H. Q. 2-8-62. 13—9—1962	23.4 Ton Rate *at* 20 Re/24 Paise per Ton	22 Tons	1.4 Tons
2	Vr. No. 334 March 1963 Bengal Coal Company Ltd., Calcutta	B/20/2/2/63 1—2—1963	23.4 Tons	21.1 Tons	2.3 Tons
3	do	B/20/13/3/6/	23.0 Tons	19 Tons	4 Tons
				Total shortage	7.7 Tons

8 *Supply of Coal by Bengal Coal Company Ltd. Vr. No. 765 3-63 for 23. 4 Tons.*—Rs. 520-32 nP was paid out of M.P.T.F. towards the cost of 23.4 tons of Coal Company, not taken into account in the stock register of stores. On verification with the records of stores it is observed that coal received was 12.9 tons only resulting in shortage, of 10.5 tons, of coal.

From the file and correspondence it is noticed that though the company has despatched 23.4 tons of coal the delivery by the railways was only 12 9 tons and the railways disowned any responsibility for the shortage The matter may please be taken up with authorities concerned and the quantity of coal of cost thereof made good to the Port Trust Funds.

9. *Construction of weighing shed in the North Wharf Est.2500 Contractor Sri Krishna Maistry,—Vr. No. 230 7.62 and 546 12-62.*—It is observed that the old shed has been dismantled and a payment of Rs 95 as been made towards the same. An account for the dismantled articles was not forthcoming to audit. From the above bill. it is seen that the old materials have not been used for the new construction. It may be explained how the old materials have been disposed of.

10. *Construction of oil store room of Godown at Mangalore Est.8200, Contractor-Sri K. Gopala Krishna Bhat, Vr No. 295 8.62* —(i) The date on which the Assistant Engineer has check-measured the work is not noted in the measurement book *vide* page 28 of MBI/62-63. The omission may please he explained.

11. *Providing a new wooden jetty for the Passenger, wharf at Mangalore Est. 15,500 Contractor, Sri T.P. Mohamed Kunhi, Vr. No. 727,3.63 for Rs. 8385.82.*—(i) The following documents have not been produced for audit.

(1) Original agreement.
(2) Supplemental agreements
(3) Connected files.

In the absence of the above documents the correctness of the payment made to the Contractor could not be verified. The above documents may be produced during the next audit.

(ii) Tender schedules of the above work have been issued to the Contractors without the signature of the Chairman or any other person competent to sign the tender. The circumstances under which the tender schedules have been issued to the Contractor without the signature of the competent authority would need to be explained.

12. *Irregular entrustments without calling for tenders* —The following 13 works have been entrusted to the Contractor without calling for tenders.

(1) Annual repairs to North and South Quay Wall.
(2) Annual repairs to Godown 'A' and 'B' at Mangalore Port.
(3) Annual repairs to Passengers shed at Mangalore
(4) Redairs to sheds in the dry dock area including pump shed and workshop building.
(5) Repairs to Compound Wall of wharves and dry dock.
(6) Annual repairs to four seated passengers latrine.
(7) Annual repairs to Port Stores Shed Hardware stores.
(8) Annual repairs to North and South Quay Walls.
(9) Annual repairs to Building in old Naval fuel case.
(10) Annual repairs to port Officers quarters (Port Fund).
(11) Annual repairs to the light house store building and signal cabin in light house compound (Port Fund).
(12) Annual repairs to septic tank staff latrine at Mangalore (Port Fund).
(13) Annual repairs to Port Office building at Mangalore

All the above works have been entrusted to the Contractors without calling for tenders stating that it has been done according to articl 192 of Madras Financial Code. But the Madras Financial Code is not applicable after 1st February 1958 with the coming into force of the Mysore Financial Code. The circumstances under which the Madras Financial Code has been followed would need to be explained to the audit. It may be pointed out that the provisions of the Mysore Financial Code are generally followed in the matter of sanctioning of advances to staff members

Agreements for the above works have also not been obtained. The circumstances under which payment have been made to the Contractor in the absence of the agreements would need to be explained.

13. Work bills-Defects : (i) Royalty has not been recovered as per the Government orders. The circumstances under which the royalty has not been recovered would need to be explained to audit. The royalty due may be recovered and credit pointed out to audit.

(ii) Final bills are not accompained with the completion reports and approval deviation statement explaining the deviations from the sanctioned estimate. The omission would need to be explained.

(iii) The works entrusted to the contractors are not completed in time, and no applications by Contractors for the extension of time nor sanctions by the department extending time for completion of works are forthcoming. No penalties are also imposed on the Contractors for delays. The circumstances under which the Contractor have not been penalised for the delay would need to be explained to audit.

13. a. Avoidable expenditure on cutting a tree : Rs.40/ Was paid to Sri K. A. Razak vide Vr. No. 458/11-62 for cutting a tree into pieces and the pieces have been auctioned and Rs. 15 only was realised *vide* receipt No.22940 Dated 13th November 1962. By these transaction the Mangalore port Trust has suffered a loss of Rs.25. Had the tree been auctioned as it was the M.P.T. would have realised some income. The circumstances under which the tree was cut and then the pieces were auctioned would need to be explained

14. Payment made on the N.M.R. for the regular establishment : Payment made to the following persons at Rs.2.50 per day *vide* Vr. No. 51/4.62 as detailed below.

Persons	Dates worked	Amount paid Rs.
1. Sri Guruvappa	22-3-62, 24-3-62	5.00
2. Sri N Challappa	22-3-62, 23-3-62, 24-3-62	7.50
3. Sri Ithappa Guthi	22-3-62, 23-3-62, 24-3-62	7.50
4. Sri S. Babu	22-3-62, 23-3-62, 24-3-62	7.50
5. Sri Paul Pinto	23-3-62	2.50
	Total	30.00

As could be seen from the pay bill and acquittance rolls all the above persons were borne on the regular establishment of M. L. Mangalore and their pay for the above days have also been drawn and paid *vide* Vr. No. 7 dated 2nd 4th 1962. Making payment on the N M. R. for the regular establishment and drawing and paying their pay for the same days on which they worked on N. M. R. is irregular and amounts to double payment. The circumstances under which the payments on N. M. R. and pay bill have been made for the same period would need to be explained. The excess payment of Rs. 30-00 is held under objection pending clarification.

15. Required particulars not furnished.—A sum of Rs. 1,296.29 has been paid to Sri K. S. Shetty, Assistant Engineer, *vide* Vr. No. 140/27th June 1962 as arrears pay. But details regarding the monthly pay drawn previously and the pay to which he was entitled were not noted in the pay bill. Certificate of non-drawal has not been furnished in the bill. The omission would need to be supplied.

16 Sanction of Government not obtained.—The works " Construction of weighing shed in the North Wharf " Est. Rs. 2 500 and Annual and Special repairs to the machinery of S. D. Gurpur Est. 32000 have been executed by the Mangalore Port Trust without obtaining the prior sanction of the Government as required under clause 81 of the Mangalore Port Trust Act. The omission would need to be explained to the audit and post facto sanction of Government may be obtained and produced.

17. Excess T. A. paid to Sri V. Raguram Kamath J. E.—Rs. 184.00 has been paid to Sri V. Raguram Kamath *vide* Vr. No. 18/63-62 dated 18th April 1962 as T. A. for the journey performed by him from karwar to Mangalore on a transfer Three Mileages has been claimed by the J. E. on the ground that one person has accompained him. As per Rule 522 of the M. C. S. R. only two mileages are admissible to a Government Servant if one person only accompaning him. Hence the excess paid i. e. Rs. 36.29 may be recovered and credited to Port Trust Fund.

18 Difference in voucher and the contingencies Register.—A payment of Rs. 18.50 has been made *vide* Vr. No. 172 towards the Cooly charges, out of the Imprest account. But while verifying the contingent register it is observed that only Rs. 18.00 has been taken into account. The circumstances under which Rs. 0.50 has taken less in the contingent register would need to be explained.

19. Payment made on Nominal Muster Rolls —It is observed that payments have been made on N. M. R's for various works and in the N. M. R. the Assistant Engineer certifies that " I have Inspected the work and the out turn was satisfactory ". A crrtificate from the Secretary or from the Port Officer is not forthcoming as required under para 89 of the Mangalore Port Trust Accounts Manual. Ratification of the action taken by the Assistant Engineer may be obtained.

20. *Disposal of materials.*—Payment of Rs. 848.32 has been made to Sri Jaya Suvarna *vide* Vr. No. 240 for the supply of double Mat Bamboo thutties and fixing the same to the Crafts and building for the rainy season But it is not known how the same have been disposed of after the season. The disposal of the same may be pointed out.

21. *Quotations not accepted by the Competent Authority.* -Payment of Rs. 2,333.10 has been made to Advance Engineering Co., Mangalore *vide* Vr. No 775/3-63 for the supply of materials. For this works, 3 firms have sent their quotation and the lowest quotation of the Advance Engineering Co., was accepted by the Assistant Engineer. The quotations should have been accepted by the Board. It may be explained whether the Assistant Engineer is empowered to accept the quotations. or Ratification may be obtained from the Board for the action of the Assistant Engineer and produced for audit.

22. *Agreements not obtained in stamped paper.*—In most of the cases agreements have not been obtained in the stamped paper as required under the Stamp Act. The omission would need to be explained and in future agreements should be obtained in the stampad papers.

23. *Acceptance of quotation other than the lowest.*—From the quotation for the supply of materials for stores it is observed that in many cases the lowest quotation of the firms have not been accepted, without recording the reason for their non-acceptance. As these quotations are from the standard companies the reason for not accepting the lowest would need to be explained to audit. It may be noted that while rejecting the lowest quotations, reasen for the same should be recorded.

24. *Bill and Receipts wanting* — An amount of Rs. 50 has been paid to the Legal Advisor, Sri B. Manjayya Hegde *vide* Vr. No 400/10-62. The bill for Rs 50 and the stamped receipt for the same is not forthcoming to aduit. This may be produced during the next audit.

25 *Placing of Oral orders by the Assistant Engineer.*—It is observed in many cases that the Assistant Engineer had placed Oral orders to the firms for some services or for purchase. But the action taken by the Assistant Engineer have not been ratified by the Board. This is irregular. Ratification may be obtained from the Board in all cases and produced for aduit.

26. *Registers etc. not produced.* —The following records have not been produc d for audit.

(1) Materials at site account.

(2) Road metal account.

(3) Register of fines.

(4) Contractors Ledger.

(5) Measurement Book No. 4 IV (5) with the connected file for the work of conducting Calyx Drill Boaring Operations along the Gurpur River at Mangalore Port.

(6) Measurement Book No. III/62-63, with the file for the work of Penotrometer and work Boring tests in Gurpur River.

(7) Measurement Book No. VI-5(1), with connected file for conducting Penotrometer and Hand Boring etc. the North of Gurpur River.

(8) Measurement Book No. VI(5) with the connected file for conducting Penorometer and Hand Boaring in Thannirubavi and Panambur River near Gurpur.

27. *Contribution due to Government.*—Though a register showing the L.S and pensionery contribution due to Government in respect of the Government servants d puted to work under the Port Trust was not maintained for the period under audit, it was seen from the connected files that the contribution in respect of all the officials have been paid to Government as per demands received from the Accountant General. A register showing the particulars of Officials and contributions paid may be opened to facilitate the check in audit.

28. *Audit Fees.*—The audit fees due amounting to Rs 509 as detailed below for the year 1962-63 may be credited to Government accounts under intimation to aduit by charging the same to the respective funds.

Audit fees in respect of	M.P.T. Fund	...	420·00
do	M.P. Fund	...	80.00
do	Pilotage Fund	—	9.00
			509.00

Result of audit.—Maintenance of register and accounts may be considered fairly satisfactory.

(Sd)

Assistant Controller,
Local Audit Circle,
Mangalore.

Statement of receipts and charges for the year 1962-63, Mangalore Port Trust Fund.

Receipts	Rs. P.	Charges	Rs. P.
Opening Balance	9,06,667.39	Members and Chairman	2,005.00
eceipts :		Officers and Staff Salary	44,758,12
Dues on Export	3,59,056.04	Engineering Section	13,109.83
		Floating craft est.	59,940.14
Dues on Import	1,18,520.90	Harbour Police (Contribution)	15,440.35
Launch and Tug Hire	1,80,708.75	P and L.S. Contribution	1,731.89
Shed rent	1,055 87	Gratuity	3,000.00
Ground rent	89,404.89	Overtime allowance	27,201.83
Grainage fees	3,392.85	Telephone rent and taxes	1,418.31
Passenger toll	6,918.50	Printing Postage and Stationery	4,773.64
Wharfage	530.10	Books and Periodicals	749.15
Miscellaneous	3,084.63	Lighting and Contingencies	11,043.51
O.T. fees	16,249.19	Liveries	6,759.05
Sale of forms	279 42	Reception conty.	746.33
Sale of materials	985.00	Refunds	16,680.20
Interest on Securities.	39,299.81	Advances	5,317.00
Securities sold	102.75	Trav. allowance	1,376.54
E.M.D.	21.126.50	Furniture	239.50
Deposit account (-)	7,661.78	Workshop establishment	2,395-71
		Stores, Coal and Fuel	71,606.89
		Legal advice	833.10
		Audit fees	420.00
		Medical attendance	57.50
		Surveyors' fees	425.00
		Repairs and maintenance of buildings	7,914.83
		Extension of workshop	31,639.03
		Beach protection	6,435.76
		Special repairs and maintenance of floating crafts	39,288.52
		Repairs and maintenance of Roads and Wharves	13,642.40
		Cranes	242.00
		Investigation for development of port	1,09,909.15
		Emptying Salt Barges	8,304.30
		New Wharf-Casurina Shoring	21,986.20
		Wooden Jetty Construction	13,847.18
		Weighing shed	2,307.40
		Shore Room	7,363.37
		Less deduction from bills towards dues and advances	8,517.80 (-)
Total receipts	8,33,053.82	Total charges	5,46,466.93
		Closing balance	11,93,254.28
Grand total including opening balance	17,39,721.21	Grand total including closing balance	17,39,721.21

(Sd).....

Assistant Controller,
Local Audit Circle,
Mangalore.

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Statement of Receipts and charges for the year 1962-63, Mangalore Port Fund.

RECEIPTS		CHARGES	
	Rs. P.		Rs P.
Opening balance	2,61 284-32	Port officers pay	10,528-06
Receipts :		Office establishment	4,394-67
Port dues :		Outdoor Staff	1,916-61
Foreign vessels	85,653-22	Boat establishment	1,807-99
Coasting ships	22,703-01	Light keepers and signalers	4,332-87
Coasting Steamers	6,215-86	Telephone rent	695-90
Fees levied under Act	705-50	Postage, Telegram and Printing	924-29
Miscellaneous	317-63	Advances to staff	403-00
Overtime fees	3,122-60	Books and periodicals	153-81
Interest on securities	,574-15	Rates and taxes	714-18
		Uniforms	364-15
		Petty contingencies	116-33
		O. T. Fees	3,166-25
		Stores and conveyance	2,816-31
		Bouys, Beacons etc.	1,055-38
		Miscellaneous refunds	917-40
		Maintenance and repairs to buildings	868-58
		do Light house signal cabin etc.	717-57
		Survey, levelling and tide house	123-80
		(*) Contribution for service of light house mechanic	257-00
		(*) Audit charges	80-00
		Deduct :	
		Recoveries by deduction from bills	776-48
		Total charges	35,567-72
Total receipts	1,24,654-47	Closing Balance	3,50,471-07
Grand total including opening balance	3,86,038.79	Grand total including closing balance	3,86,038-79

(*) Charges debited in the cash book against dues outstanding.

(Sd.) .....

Assistant Controller, L.A.C., Mangalore.